



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
GARRARD COUNTY SHERIFF**

**Calendar Year 2000**

**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
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**EXECUTIVE SUMMARY**  
**AUDIT EXAMINATION OF THE**  
**GARRARD COUNTY SHERIFF**

**Calendar Year 2000**

The Auditor of Public Accounts has completed the Garrard County Sheriff's audit for calendar year 2000. We have issued an unqualified opinion on the financial statement taken as a whole. Based upon the audit work performed, the financial statement is presented fairly in all material respects.

**Financial Condition:**

Net receipts of the Sheriff's Fee Account increased by \$11,633 from the prior calendar year, resulting in excess fees of \$9,229 as of December 31, 2000. Revenues decreased by \$48,292 from the prior year and disbursements decreased by \$57,081.

**Debt Obligations:**

Total debt principal as of December 31, 2000, was \$24,883. The Sheriff is required to make monthly payments of \$1,803 through November 20, 2002, with a final payment of the unpaid principal balance plus accrued interest on December 20, 2002.

**Report Comments:**

- The Sheriff Should Present Annual Settlement To Fiscal Court And Publish Annual Settlement
- The Sheriff Should Make Daily Deposits

**Deposits:**

The Sheriff's deposits were insured and collateralized by bank securities or bonds.



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**EDWARD B. HATCHETT, JR.**  
**AUDITOR OF PUBLIC ACCOUNTS**

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
T. Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Dana Mayton, Secretary, Revenue Cabinet  
Honorable E. J. Hasty, Garrard County Judge/Executive  
Honorable Ronald G. Wardrip, Garrard County Sheriff  
Members of the Garrard County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of receipts, disbursements, and excess fees of the County Sheriff of Garrard County, Kentucky, for the year ended December 31, 2000. This financial statement is the responsibility of the County Sheriff. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Sheriff's office prepares the financial statement on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the receipts, disbursements, and excess fees of the County Sheriff for the year ended December 31, 2000, in conformity with the basis of accounting described above.

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2001, on our consideration of the County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

To the People of Kentucky  
Honorable Paul E. Patton, Governor  
T. Kevin Flanery, Secretary  
Finance and Administration Cabinet  
Dana Mayton, Secretary, Revenue Cabinet  
Honorable E. J. Hasty, County Judge/Executive  
Honorable Ronald G. Wardrip, Garrard County Sheriff  
Members of the Garrard County Fiscal Court

Based on the results of our audit, we have presented the accompanying comments and recommendations, included herein, which discuss the following areas of noncompliance:

- The Sheriff Should Present Annual Settlement To Fiscal Court And Publish Annual Settlement
- The Sheriff Should Make Daily Deposits

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
December 5, 2001



GARRARD COUNTY  
RONALD G. WARDRIP, SHERIFF  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES

Calendar Year 2000

Receipts

Federal Grants		\$	24,000
State Grants			18,706
State Fees For Services:			
Finance and Administration Cabinet			7,370
Circuit Court Clerk:			
Sheriff Security Service	\$	8,721	
Fines and Fees Collected		<u>1,752</u>	10,473
Fiscal Court			28,955
County Clerk - Delinquent Taxes			1,720
Commission On Taxes Collected			127,305
Fees Collected For Services:			
Auto Inspections	\$	2,960	
Carrying Concealed Deadly Weapon Permits		7,275	
School Security		19,200	
Serving Papers		<u>15,800</u>	45,235
Other:			
Delinquent Tax Add-On Fees	\$	16,060	
Miscellaneous		<u>1,313</u>	17,373
Interest Earned			2,499
Borrowed Money:			
State Advancement			<u>79,200</u>
Gross Receipts		\$	362,836

GARRARD COUNTY  
RONALD G. WARDRIP, SHERIFF  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND EXCESS FEES  
Calendar Year 2000  
(Continued)

Disbursements

Operating Disbursements and Capital Outlay:

Personnel Services-

Deputies' Salaries	\$ 124,325
Part-Time Salaries	9,600
Overtime	1,605
Sheriff's Training Incentive	688
Contract Labor	664

Employee Benefits-

Employer's Share Retirement	664
Employer's Share - Overtime	86

Materials and Supplies-

Office Materials and Supplies	7,697
Uniforms	11,332

Auto Expense-

Gasoline	9,088
Maintenance and Repairs	6,466

Other Charges-

County Fees	1,830
Kentucky Sheriff's Association Insurance	378
Carrying Concealed Deadly Weapon Permits	5,195
Communications	2,214
Miscellaneous	5,443
	<u>\$ 187,275</u>

Debt Service:

State Advancement	\$ 79,200
Notes	28,980
Interest	<u>1,670</u>
	109,850

Total Disbursements

297,125

Net Receipts

\$ 65,711

Less: Statutory Maximum

56,482

Excess Fees Due County for Calendar Year 2000

\$ 9,229

The accompanying notes are an integral part of the financial statement.

GARRARD COUNTY  
NOTES TO FINANCIAL STATEMENT

December 31, 2000

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of receipts over disbursements to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

The financial statement has been prepared on a modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, certain receipts and certain expenditures are recognized as a result of accrual at December 31, 2000.

The measurement focus of a fee official is upon excess fees. Remittance of excess fees is due to the County Treasurer in the subsequent year.

C. Cash and Investments

At the direction of the fiscal court, KRS 66.480 authorizes the County Sheriff's office to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system that covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.17 percent.

GARRARD COUNTY  
NOTES TO FINANCIAL STATEMENT  
December 31, 2000  
(Continued)

Note 2. Employee Retirement System (Continued)

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report which is a matter of public record.

Note 3. Deposits

The Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 2000, the Sheriff's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the Sheriff's agent in the Sheriff's name, or provided surety bond which named the Sheriff as beneficiary/obligee on the bond.

Note 4. Note Payable

The Office of the Garrard County Sheriff is liable for a secured note payable to First Southern National Bank in the amount of \$53,864 issued December 6, 1999. The purpose of the note was renewal of a \$75,000 note initially issued for the purchase of four vehicles. The note matures December 20, 2002 and the interest rate is 7.0 percent. The principle balance as of December 31, 2000 was \$24,883. The Office of the Garrard County Sheriff was in compliance with the terms of the agreement as of December 31, 2000.

Note 5. Fines and Forfeitures Account

During calendar year 2000, under terms stipulated by the United States Department of Justice and the Commonwealth of Kentucky, the Sheriff's office received proceeds emanated from the confiscation, surrender, or sale of real and personal property involved in drug related convictions. These proceeds may be used for operating expenditures of the Sheriff's office. During calendar year 2000 there were no fines or forfeitures received. Disbursements from the account during calendar year 2000 were \$1,550 transferred to the Garrard County DARE Program Account. The balance in the account as of December 31, 2000 was \$1,061. The transfer of funds from this account to the Garrard County DARE Program account does not meet the requirements of KRS 218A.435, which requires these funds to be used for "direct law enforcement purposes". We have recommended the Garrard County DARE Program Account return \$1,550 to the Fines and Forfeitures Account. In order for the Garrard County DARE Program to return this amount, the Sheriff will be required to contribute \$557 in personal funds in addition to the DARE account balance at December 31, 2000. (See Note 6.)

GARRARD COUNTY  
NOTES TO FINANCIAL STATEMENT  
December 31, 2000  
(Continued)

Note 6. Garrard County DARE Program Account

The Garrard County Sheriff's office maintains the Garrard County DARE Program Account. The balance in the account as of January 1, 2000 was \$154. During calendar year 2000 receipts of the DARE account were \$3,515 and disbursements of \$2,676 were made for various DARE Program activities. The balance in the account as of December 31, 2000 was \$993. The December 31, 2000 balance in this account, plus \$557 in Sheriff's personal funds, is due to the Fines and Forfeitures Account. (See Note 5.)

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## COMMENTS AND RECOMMENDATIONS





GARRARD COUNTY  
RONALD G. WARDRIP, COUNTY SHERIFF  
COMMENTS AND RECOMMENDATIONS

Calendar Year 2000

STATE LAWS AND REGULATIONS:

The Sheriff Should Present Annual Settlement To Fiscal Court And Publish Annual Settlement

The Sheriff did not present his annual financial settlement to the fiscal court and did not publish his annual settlement as required. KRS 134.310 requires the Sheriff to annually present to fiscal court “a complete statement of all funds received by his office for official services...and...a complete statement of all expenditures of his office”. Additionally, KRS 424.220 requires that “the Sheriff shall, within sixty (60) days after the close of the Sheriff’s fiscal year (i.e., the calendar year), cause the financial statement to be published in full in a newspaper”. We recommend in future years, that the Sheriff present his annual settlement to the fiscal court and publish the settlement as required.

*Sheriff’s Response: Will comply with KRS 424.220 and KRS 134.310 in the future.*

The Sheriff Should Make Daily Deposits

Our test of receipts revealed that the Sheriff made weekly deposits during calendar year 2000. KRS 68.210, 45 KAR 1:070, and TAB 93:002, require the Sheriff “to deposit all public funds received into an official bank account on a daily basis.” We recommend the Sheriff make daily deposits of all public funds received as required.

*Sheriff’s Response: Will attempt to comply with KRS 68.210 in the future.*

INTERNAL CONTROL - MATERIAL WEAKNESSES:

None.

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REPORT ON COMPLIANCE  
AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS





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**AUDITOR OF PUBLIC ACCOUNTS**

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Members of the Garrard County Fiscal Court

**Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards**

We have audited the Garrard County Sheriff for the year ended December 31, 2000, and have issued our report thereon dated December 5, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Garrard County Sheriff's financial statement for the year ended December 31, 2000, is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying comments and recommendations.

- The Sheriff Should Present Annual Settlement To Fiscal Court And Publish Annual Settlement
- The Sheriff Should Make Daily Deposits

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Garrard County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of The Financial  
Statement Performed In Accordance With Government Auditing Standards  
(Continued)

Internal Control Over Financial Reporting  
(Continued)

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
December 5, 2001

